



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36365]

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., 3i RR LLC, Regional Rail Holdings, LLC, and Regional Rail, LLC—Control Exemption—Florida Central Railroad Company, Inc., Florida Midland Railroad Company, Inc., and Florida Northern Railroad Company, Inc.

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., 3i RR LLC, and Regional Rail Holdings, LLC (collectively, 3i RR), and Regional Rail, LLC (Regional Rail), all noncarriers, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire from Pinsly Railroad Company control of Florida Central Railroad Company, Inc. (Central), Florida Midland Railroad Company, Inc. (Midland), and Florida Northern Railroad Company, Inc. (Northern) (collectively, the Florida Railroads), all Class III rail carriers operating in Florida.¹ According to the verified notice, the proposed transaction will allow Regional Rail to acquire direct control, and 3i RR to acquire indirect control, of the Florida Railroads.

The earliest this transaction may be consummated is December 6, 2019, the effective date of the exemption (30 days after the verified notice was filed). The verified

¹ The verified notice states that Central operates between Umatilla and Orlando, with branch lines between Toronto and Winter Garden and between Tavares and Sorrento; Midland operates between Frostproof and West Lake Wales and between Gordonville and Winter Haven; and Northern operates between Red Level Jct. and north of Newberry and between Candler and Lowell.

notice states that the parties intend to consummate the transaction on or after January 3, 2020.²

According to the verified notice, 3i RR Holdings GP LLC controls 3i Holdings Partnership L.P., which controls 3i RR LLC, which controls Regional Rail Holdings, LLC, which controls Regional Rail. Regional Rail Holdings, LLC, is a holding company that directly controls the following three Class III rail carriers: (1) East Penn Railroad, LLC, which operates in Delaware and Pennsylvania; (2) Middletown & New Jersey Railroad, LLC, which operates in New York; and (3) Tyburn Railroad LLC, which operates in Pennsylvania (collectively, the Subsidiary Railroads).³

The verified notice states that: (1) the Florida Railroads do not connect with each other or with the Subsidiary Railroads; (2) the acquisition of control of the Florida Railroads is not intended to connect them to any other railroads in 3i RR's corporate family; and (3) the proposed transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Because this

² On November 6, 2019, 3i RR and Regional Rail filed a motion for protective order under 49 CFR 1104.14(b), which will be addressed in a separate decision.

³ In Regional Rail Holdings, LLC—Acquisition of Control Exemption—Regional Rail, LLC, FD 35945 (STB served Aug. 7, 2015), Regional Rail Holdings, LLC, acquired control of the Subsidiary Railroads. In 3i RR Holdings GP LLC—Control Exemption—Regional Rail Holdings, LLC, FD 36289 (STB served Apr. 19, 2019), 3i RR Holdings GP LLC, 3i Holdings Partnership L.P., and 3i RR LLC, acquired direct control of Regional Rail Holdings, LLC, and indirect control of the Subsidiary Railroads.

transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than November 29, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36365, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on applicants' representative, Louis E. Gitomer, Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

According to the verified notice, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: November 18, 2019.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings

Eden Besera,

Clearance Clerk.

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